Opening of branches of UCBs

†*302. MISS ANUSUIYA UIKEY: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India contemplating giving permission to open more branches of banks to strengthen Urban Co-operative Banks;

(b) the basis for considering any Urban Co-operative Bank as a weak bank;

(c) the number of such branches of weak Urban Co-operative Banks in the country and the action being taken for improving their condition; and

(d) by when the permission for opening new branches would be given?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (d) Yes, Sir, In the Mid-term Review of Annual Policy Statement for the year 2006-07, Reserve Bank of India has decided to allow financially sound Urban Cooperative Banks (UCBs) registered in States that have signed MoU with the Reserve Bank of India and those registered under the Multi-State Co-operative Societies Act, 2002 to convert existing extention counters into full-fledge branches subject to certain conditions mentioned in the guidelines issued on November 13, 2006.

(b) and (c) Reserve Bank of the India has graded these banks in four categories Grade—I, Grade-II Grade-III and Grade-IV based on certain parameters Banks in Grade-III, and IV broadly correspond to weak and sick category and have been graded as per the criterion given below:—

Grade—III:

(i) If CRAR falls below 75% of the minimum prescribed level, but 50% or above.

(ii) Net NPA is 10% or more but less than 15% of net loans and advances, as on 31 March, or as identified by RBI, subsequently.

(iii) Incurred net losses for two years out of last three consecutive financial years after making adequate provision for asset losses as indicated by the statutory auditors/RCS and/or RBI.

Grade—IV:

(i) If their CRAR is below 50% of the minimum prescribed level; and

(ii) If net NPA is 15% or more of net loans and advances as on 31 March, or as identified by RBI, subsequently; or

(iii) If they show net losses (as per balance sheet) for the last three consecutive financial years. (*i.e.* the condition on CRAR together with any one of the two other conditions relating to Net NPA/net losses).

To ensure regulatory coordination and cooperation under the existing legal framework, RBI has entered into MoU with nine State Governments. As part of the MOU, a Task Force for Urban Co-operative banks (TAFCUB) has been set up in each of the States which have signed the MoU for identification and drawing up of a time bound action plan for revival of potentially viable UCBs and for non disruptive exit for non-viable UCBs.

Based on TAFCUBs recommendations, supervisory actions that have been taken include issue of license to unlicensed banks, allowing merger of UCBs cancellation of license of unviable UCBs etc. Further, certain other facilities like setting up of currency chest, selling mutal funds, providing foreign exchange services etc., have been extended to such banks in the MoU signed States.

Maintenance of Tomb of Hasan Khan Suri

*303. SHRI ALI ANWAR: Will the Minister of CULTURE be pleased to state:

(a) whether it is a fact that the Tomb of Hasan Khan Suri, situated in Sasaram, Bihar is under maintenance of Archaeological Survey of India;

(b) if so, the arrangements made by Government for its proper care and maintenance;

(c) whether it is also a fact that this Tomb is in a very dilapidated condition and Archaeological Survey of India is not able to look after the same properly; and

(d) if so, whether Government would issue necessary instructions for its proper maintenance?

THE MINISTER OF CULTURE (SHRIMATI AMBIKA SONI): (a) to (d) The Tomb of Hasan Shah Suri situated at Sasaram in the state of Bihar is a monument of national importance under the Archaeological Survey